INCOMING TELEGRAM

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Classification

Control:

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Rec'd:

MARCH 16, 1961

FROM: MOSCOW

EYES ONLY

2:23 PM

Info

TO: Secretary of State

NO:

2209, MARCH 16, 7 PM (SECTION 1 OF 2)

EYES ONLY SECRETARY.

DEPARTMENT REPEAT AS DESIRED.

ALL MY DIPLOMATIC COLLEAGUES WHO HAVE DISCUSSED MATTER APPEAR TO CONSIDER THAT IN ABSENCE NEGOTIATIONS KHRUSHCHEV WILL SIGN SEPARATE TREATY WITH EAST GERMANY AND PRECIPITATE BERLIN CRISIS THIS YEAR. MY OWN VIEW IS THAT WHILE HE WOULD IN THESE CIRCUMSTANCES ALMOST CERTAINLY CONCLUDE SEPARATE TREATY, HE WOULD LIKELY ATTEMPT AVOID IMMEDIATE CRISIS ON BERLIN BY SOME METHOD SUCH AS INSTRUCTING EAST GERMANS NOT TO INTERFERE WITH ALLIED ACCESS FOR GIVEN PERIOD TIME. FACTOR IN KHRUSHCHEV DECISION WILL BE STATUS OVERALL SOVIET RELATIONS WITH WEST AT TIME DECISION MADE. PRESENT OUTLOOK IS NOT FAVORABLE. WHILE I ANTICIPATE POSSIBLE SETTLEMENT LAOS QUESTION, CONFLICT BETWEEN EAST AND WEST IN AFRICA AND SOUTH AMERICA WILL CONTINUE IF NOT INCREASE; TEST BAN AGREEMENT EXTREMELY DOUBTFUL; CONTINUATION GENERAL DISARMAMENT DISCUSSIONS EVEN IF ARRANGED WILL BE PROLONGED AND AT LEAST IN BEGINNING UNPROMISING. MOREOVER IN JUDGING INTENTIONS NEW ADMINISTRATION SOVIET JUDGMENT WILL BE INFLUENCED BY NUMBER OF STEPS WE HAVE TAKEN INDICATING GREATER MILITANCY ON OUR PART. AMONG THESE ARE INCREASED ARMS BUDGET INCLUDING PREPARATIONS FOR GUERRILLA WARFARE, ADVERSE DECISION ON LICENSES FOR MACHINE TOOLS TO SOVIET UNION, PRESIDENT'S PUBLIC APPEAL FOR SUPPORT REE WHICH SOVIETS CONSIDER DEDICATED TO OVERTHROW COMMUNISM IN EASTERN EUROPE, AND PRESIDENT'S REQUEST FOR MODIFICATION MDA CONTROL ACT IN CONTEXT OF HOPES FOR FREEDOM OF EASTERN EUROPEAN PEOPLES. LATTER TWO ACTIONS PARTICULARLY LIKELY SUPPORT CHINESE ARGUMENTS ACCOMMODATION BETWEEN EAST AND WEST IMPOSSIBLE. APART FROM FACT I THINK IT UNFORTUNATE PRESIDENT BECAME PERSONALLY INVOLVED IN

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-2- 2209, MARCH 16, 7 PM (SECTION 1 OF 2), FROM MOSCOW

RFE APPEAL I DO NOT QUESTION WISDOM OR NECESSITY THESE ACTIONS AND SOVIETS BY DECLARATION 81 COMMIE PARTIES AND KHRUSHCHEV'S JAN 6 SPEECH HAVE GIVEN US AMPLE JUSTIFICATION. NEVERTHELESS BELIEVE WE MUST APPRAISE REALISTICALLY POSSIBILITY SOVIET CONCLUSION US DETERMINED ON WHAT THEY LABEL "FOSITIONS OF STRENGTH" POLICY.

VON BRENTANO'S STATEMENT RE DESIRABILITY FOUR POWER NEGOTIATIONS ON PEACE TREATY WOULD APPEAR INDICATE HE HAS ENDORSED KROLL'S IDEA OF SUCH NEGOTIATIONS AS MEANS OF STALLING UNTIL AFTER GERMAN ELECTIONS. THIS APPEARS TO ME HIGHLY QUESTIONABLE TACTIC. SO FAR AS I HAVE BEEN INFORMED BRENTANO DID NOT RAISE THIS QUESTION IN DISCUSSIONS WASHINGTON.

AT SUCH TIME AS PRESIDENT MIGHT MEET KHRUSHCHEV, DISCUSSION GERMAN PROBLEM WILL BE MAIN POINT EXERCISE SO FAR AS HE CONCERNED AND HE WILL PROBABLY MAKE DECISION ON HIS GERMAN POLICY AT THAT TIME OR SHORTLY THEREAFTER. THEREFORE SEEMS TO ME IMPORTANT THAT PRESIDENT HAVE SOMETHING TO SAY TO KHRUSHCHEV ON THIS PROBLEM WHICH WILL AT LEAST GIVE US POSSIBILITY OF AVOIDING SEPARATE TREATY AND SUBSEQUENT BERLIN CRISIS. IT GOES WITHOUT SAYING THAT ONE ASPECT WOULD BE CONVINCE KHRUSHCHEV WE WOULD FIGHT RATHER THAN ABANDON PEOPLE OF WEST BERLIN. IF THIS IS ALL THAT IS DONE, HIGHLY PROBABLE KHRUSHCHEV WILL FORCE ISSUE, PROVIDED HIS COLLEAGUES_CANNOT OR DO NOT PREVENT HIM, BEFORE OCTOBER PARTY CONGRESS. REGARDLESS OUTCOME THIS PARTICULAR ISSUE, AND IT COULD INVOLVE REAL POSSIBILITY OF WOMEN WAR, WE WOULD ALMOST CERTAINLY BE LED BACK TO INTENSIFIED COLD WAR RELATIONSHIP.

ALTERNATIVE WOULD SEEM TO BE THAT PRESIDENT SHOULD BE ABLE HOLD OUT PROSPECT OF NEGOTIATIONS WHICH WOULD AS MINIMUM ENABLE KHRUSHCHEV SAVE FACE SOMEWHAT AND MAINTAIN HIS POSITION.
ALTHOUGH I CONTINUE BELIEVE KHRUSHCHEV IS PROBABLY BETTER FROM OUR POINT OF VIEW THAN ANYONE LIKELY TO SUCCEED HIM, I DO NOT ADVOCATE THIS COURSE OF ACTION IN ORDER KEEP KHRUSHCHEV IN POWER AS I DO NOT BELIEVE THAT IN FIRST PLACE WE KNOW ENOUGH

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-3- 2209, MARCH 16, 7 PM (SECTION 1 OF 2), FROM MOSCOW

ABOUT WORKINGS THIS REGIME TO CALCULATE ACCURATELY EFFECTS OUR ACTIONS ON LEADERSHIP AND IN ANY EVENT DO NOT BELIEVE THIS SHOULD BE BASIS OF US POLICY. I DO BELIEVE WE SHOULD ATTEMPT AVOID ACTIONS WHICH LIKELY LEAD TO DANGEROUS SITUATION IF THIS POSSIBLE. AMONG POSSIBLE ACTIONS I CONSIDER MOST ADVANTAGEOUS WOULD BE MODIFICATION WESTERN PACKAGE PEACE PLAN PROPOSAL WHICH IN EFFECT WOULD DEFER SHOWDOWN ON GERMAN REUNIFI-CATION FOR SAY SEVEN YEARS COMBINED WITH BRITISH AND US DECLARA-TION REASSURING SOVIETS ON FRONTIER PROBLEM AND AN INTERIM BERLIN SOLUTION WHICH WOULD REDUCE TEMPERATURE THIS TROUBLE SPOT AND GIVE WEST GERMANS BETTER BASIS FOR ACCESS. EVEN IF SOVIETS SHOULD REFUSE DISCUSS IT, OUR HAVING PUT FORWARD SUCH PROPOSAL WOULD WEAKEN ABILITY KHRUSHCHEV TO TAKE DRASTIC ACTION ON GERMAN AND BERLIN PROBLEMS. AS ABSOLUTE MINIMUM I SUGGEST PRESIDENT COULD DISCUSS WITH KHRUSHCHEV POSSIBILITY OF BOTH SIDES DEFUSING BERLIN PROBLEM BY UNILATERAL ACTIONS ON BOTH SIDES WITHOUT FORMAL AGREEMENT. ON OUR SIDE THIS MIGHT MEAN GIVING UP RIAS AND REDUCING COVERT ACTIVITIES BASED ON BERLIN.

THOMPSON

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M Action SS

Control: 1Ø892

Rec'd:

MARCH 16, 1961

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FROM: MOSCOW

TO:

Secretary of State

NO:

2209, MARCH 16, 7 PM (SECTION 2 OF 2)

EYES ONLY SECRETARY

DEPARTMENT REPEAT AS DESIRED

IF WE EXPECT SOVIETS TO LEAVE BERLIN PROBLEM AS IS, THEN WE MUST AT LEAST EXPECT EAST GERMANS TO SEAL OFF SECTOR BOUNDARY IN ORDER STOP WHAT THEY MUST CONSIDER INTOLERABLE CONTINUATION REFUGEE FLOW THROUGH BERLIN. WISH POINT OUT THAT RECENT WESTERN ACTIONS IN BERLIN HAVE SHOWN THAT, UNLESS WE CHANGE OUR POLICY, PRICE WE WOULD EXACT FOR SUCH ACTION IS VIRTUAL BOYCOTT EAST GERMANY, SEVEN YEAR PLAN, WHICH I ADVOCATE, SHOULD IN ITSELF EASE BERLIN PROBLEM BY REDUCING REFUGEE FLOW WHICH DISADVANTAGEOUS TO WEST IN MANY RESPECTS.

- I NOTE VON BRENTANO IN DISCUSSION WITH PRESIDENT EVADED BEING PINNED DOWN OF FACING CONSEQUENCES OF SEPARATE TREATY AS ADENAUER HAS ALWAYS DONE. SUGGEST IT WOULD BE ADVISABLE THAT ADENAUER KNOW BEFORE HE VISITS US THAT PRESIDENT EXPECTS HIM PRESENT SOME CLEAR IDEAS OR PROPOSALS ON HANDLING GERMAN AND BERLIN PROBLEMS AND THAT AT PRESENT STAGE SIMPLY PUTTING OFF DECISIONS IS NOT GOOD ENOUGH, AS WE WILL IN EFFECT BY INACTION BE CHOOSING BETWEEN ALTERNATIVES. ONE OF THESE IS CONCLUSION SEPARATE PEACE TREATY AND HE SHOULD BE PREPARED GIVE PRESIDENT ANSWERS TO SUCH QUESTIONS AS FOLLOWING: IF POLICY IS NOT TO TAKE POSITIVE STEPS TO PREVENT SEPARATE TREATY
- 1) HOW DO GERMANS SUGGEST WE HANDLE SITUATION IN WHICH FOLLOWING SEPARATE TREATY, EAST GERMANS BEGIN SLOW HARASSMENT AND STRANGULA-TION BERLIN ECONOMY WITHOUT DISTURBING ALLIED ACCESS?
- 2) WHAT ACTION DOES HE PROPOSE WE TAKE IF EAST GERMANS CLOSE REPRODUCTION FROM THIS SECTOR COPY IS PROHIBITED. UNLESS "UNCLASSIFIED"

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- -2- 2209, MARCH 16, 7 PM (SECTION 2 OF 2), FROM MOSCOW SECTOR BOUNDARY AND WHAT WOULD WEST GERMANS DO;
- 3) HOW WOULD WEST GERMANS HANDLE REFUSAL EAST GERMANS DEAL WITH THEM ON SUCH MATTERS AS TRADE AND INCIDENTS EXCEPT ON FORMAL GOVERNMENTAL BASIS.

IN THIS CONNECTION I DO NOT BELIEVE WEST GERMANS CAN EFFECTIVELY DESIRE OF EAST GERMANS TO CONTINUE TRADE AS IN THESE CIRCUMSTANCES I BELIEVE SOVIETS WOULD FURNISH EAST GERMANY REQUISITE ECONOMIC SUPPORT ALTHOUGH RELUCTANTLY.

THOMPSON

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